

[REDACTED]

[REDACTED]

[REDACTED]

November 24, 1980

[REDACTED]

Dear Applicant:

Your application for exemption from Federal income tax under the provisions of Section 501(c)(7) of the Internal Revenue Code has been considered.

The information that you submitted with your application discloses you were incorporated on [REDACTED] under the laws of the State of [REDACTED].

Your purposes are maintaining, improving, policing or preserving properties in which your members have common rights of usage and enjoyment including without limitation because of specific enumeration, private (not public) parks, plazas, roads, paths, highways, piers, docks, playgrounds, tennis courts, beaches, water pumping plant and connecting pipes or sewer plant and connecting pipes.

Section 501(c)(7) of the code reads, in part, as follows:

"Clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder."

The term "club" as used in the above section of the law contemplates the comingling of members, one with the other, in fellowship. Personal contacts and fellowship must also play a material part in the life of an organization in order for it to come within the meaning of the term "club".

In view of the evidence presented, it is our opinion that you are neither organized nor operated exclusively for pleasure, recreation or other similar nonprofitable purposes since your primary activities appear to be to perform services that your members would otherwise have to provide for themselves.

Accordingly, it is held that you are not entitled to exemption from Federal income tax under Section 501(c)(7) of the code as a club

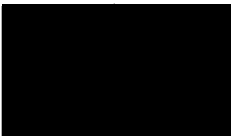
[REDACTED]

organized and operated exclusively for pleasure, recreation and other nonprofitable purposes. You will be required to file Form 1120, U. S. Corporation Income Tax Return. However, you may qualify for election as a Homeowner's Association by filing Form 1120-H. To determine if you qualify for this election see page 10 of the enclosed publication 588.

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,



District Director

Enclosures:
Publication 588
Publication 892

[REDACTED]
[REDACTED]
[REDACTED]
July 10, 1980
[REDACTED]

Gentlemen:

Your application for exemption from Federal income tax under the provisions of Section 501(c)(6) of the Internal Revenue Code has been considered.

The evidence presented discloses that you were incorporated on [REDACTED], under the laws of the State of [REDACTED].

Your purposes are maintaining, improving, policing or preserving properties in which your members have common rights of usage & enjoyment, including without limitation because of specific enumeration, private (not public) parks, places, roads, paths, highways, piers, docks, playgrounds, tennis courts, beaches, water pumping plan and connecting pipes or sewer plan and connecting pipes

Section 501(c)(6) of the Code provides for the exemption of business leagues not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having a common business interest with a purpose to improve business conditions instead of to perform particular services for individual members.

It is our conclusion that you are not a business league as defined above and that you are performing services for members which inures to the benefit of private individuals.

Accordingly, it is held that you are not entitled to exemption as an organization described in Section 501(c)(6) of the Code and you are required to file Federal income tax returns on Form 1120.

[REDACTED]

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]

District Director

Enclosure:
Publication 892